

DATE

19 Feb 88

TRANSMITTAL SLIP

TO:

~~AC/NIC~~

VC/NIC

ROOM NO.

7E62

BUILDING

HQS

REMARKS:

~~F. Y. I.~~

David -

- See my comment
- See attached

FROM:

Ch/TTIC

STAT

ROOM NO.

6C43

BUILDING

HQS

STAT

FORM NO.

REPLACES FORM 36-8

(47)

~~SECRET~~

DIRECTOR OF CENTRAL INTELLIGENCE

Technology Transfer Intelligence Committee

(TTIC)

Subcommittee on Export Control
(EXCON)Subcommittee on Exchanges
(COMEX)

19 FEB 1986

MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA: Deputy Director for Intelligence

FROM:

Chairman

SUBJECT: State request for NIE on Japanese Export Controls

1. I believe an NIE on Japanese export controls--as requested by State in the attached memorandum--would be ill-advised. I received this draft memo from the NIC; I understand the original is on its way.

2. First, there is little that the Community could add beyond the cited 1 February TTIC paper. State's request for a "broader treatment" would involve adding information on the political and bilateral context of export controls, all of which is common knowledge and widely accepted in the intelligence and policy community. The debate in the Community and among policymakers is "is the system working as promised by Tokyo." This is the focus of TTIC's paper and, in reality, the purpose behind the meeting cited in the State request.

3. Second, any paper on this subject, if done at all, should be done by TTIC, not the NIC. The NFIB agencies--and other key actors--responsible for export control issues are all TTIC members. Under its DCI charter, TTIC is the Intelligence Community organization responsible for analysis on this issue. More important, State's memorandum suggests that any policy agency can appeal to a higher court--in State's term "the appropriate vehicle"--when it does not like the results of TTIC assessments. I believe this would undermine TTIC and establish an unfortunate precedent.

4. Finally, the principal CIA representation--either as drafter or CIA representative--on this issue should come from TTAC. I am particularly concerned that both TTIC and TTAC learned of State's request only after the NIO/EA opened discussions with OEA on the paper, principal drafters, and terms of reference.

Except →

partially correct

I do not believe it would undermine

I agree that some action is needed. I agree that the paper should be drafted by TTAC but that OEA should present DDI - but not a Keri call.

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SUBJECT: State request for NIE on Japanese Export Controls

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5. I understand that the NIC will be sending you its recommendation in the near future.

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*David: Please consider all
this and we can talk later*

Attachment

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SUBJECT: State request for NIE on Japanese Export Controls

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OSWR/TTAC

(19 Feb 88)

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United States Department of State

Assistant Secretary of State
for East Asian and Pacific Affairs

Washington, D.C. 20520

SECRET

TO: Acting Chairman, National Intelligence Council

FROM: EAP - Gaston Sigur *GS*

SUBJECT: Request for National Intelligence Estimate (NIE)

I would like to request that a National Intelligence Estimate be prepared on the implementation and effectiveness of Japan's recently revised strategic export control system.

At the January 27-28 COCOM Senior Political Meeting in Versailles, the Japanese Government fully supported our call for strengthening the multilateral COCOM system and national control and enforcement regimes. Congress has made it clear, however, that it will be looking for results -- not mere public statements or even confidential understandings -- demonstrating a new commitment to effective enforcement of strategic export controls among COCOM member countries, a position the Administration fully supports. Given the Toshiba/Kongsberg incident, there is little doubt that Japan will be the first country Congress looks at. Therefore, we must have the most accurate information and analysis upon which to make our policy judgments, follow up as needed with the Japanese Government, and make our presentations to Congress.

We are aware of the February 1 status report issued by the Technology Transfer Intelligence Committee, but believe that the importance of this issue requires a broader treatment of the politics, security policy implications, and foreign policy considerations that are certain to impinge on how the Japanese proceed in this area. We also believe that a formal National Intelligence Estimate represents the appropriate vehicle for the study.

The estimate should also examine the politics of the issue within the government and the ruling party; the relationship of Japanese efforts and other policy interests that will either impel or impede progress in implementation of controls; the economic and commercial considerations that shape business-government cooperation and the nature of independent business self-policing; and the foreign policy concerns in relations with the United States and other nations that provide

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the context for the overall Japanese program of export control. It should also examine the effects of recent changes in Japan's export laws, GOJ institutional and bureaucratic restructuring (including interministerial coordination, licensing, enforcement, customs, etc.) and initiatives taken by the private sector.

Our semi-annual strategic technology bilateral with Japan is tentatively scheduled for April 7-8, and we consider it essential to have an NIE in hand by the last week in March to form the basis for our approach to those consultations.

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